

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-30196
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-289
7. Lease Name or Unit Agreement Name Rosa Unit COM
8. Well Number 148C
9. OGRID Number 120782
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)			
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other			
2. Name of Operator WILLIAMS PRODUCTION COMPANY, LLC			
3. Address of Operator P.O. Box 640, Aztec, NM 87410			
4. Well Location SURF: 840' FSL & 1465' FWL BHL: 2254' FSL & 368' FWL Section 2 Township 31N Range 06W NMPM County RIO ARRIBA			
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6250			
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>			
Pit type	Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material			

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/> Commingle		OTHER: <input type="checkbox"/>	

- i. Pre-approved Pool Division Order R-13122.
- ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
- iii. Perforated intervals: Blanco MV 5562'-6366', Basin Dakota 8267'-8385'. ~ MD
- iv. Fixed percentage allocation based upon production data of 62% Blanco MV and 38% Basin Dakota. This is based on the historic production of all wells that have MV/DK production. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
- v. Commingling will not reduce the value of reserves.
- vi. Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
- vii. The BLM has been notified on sundry notice form 3160-5.

DHC 3644 AZ

RCVD AUG 24 '11
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Larry Higgins TITLE Permit Supervisor DATE 8/23/2011

Type or print name Larry Higgins E-mail address: Larry.higgins@williams.com Telephone No. 505-634-4208
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 30 2011
Conditions of Approval (if any):



Exploration & Production

Production Allocation Recommendation Rosa Unit #0148C (DK/MV)

WELLNAME: Rosa Unit #0148C
LOCATION: Sec. 2, T31N,R06W
API No.: 03-039-30196

FIELD: Rosa Unit
COUNTY: Rio Arriba, NM
Date: 8/18/11

Current Status: Williams is currently completing the Rosa Unit #0148C in the Dakota and Mesa Verde formations. Williams recommends commingling the well after the proposed completion work has been completed.

Commingling Procedure:

1. Acidize & fracture stimulate the DK and MV formations
2. Flow back and clean up each formation prior to completion.
3. TIH w/ work string and remove CIBP
4. Clean out to PBTD
5. Complete with single string 2-3/8" tubing, landed below DK perfs
6. NDBOP. NUWH.
7. Turn well over to production as a commingle

Allocation Method: Williams has assembled historic production data from MV and DK wells that have been drilled after Jan 2003. Williams used this production data to come up with an initial allocation for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected if need be.

After 18 months of production:

Total Production from well = 227,905 Mcf
Total Production from DK = 86,405 Mcf
Total Production from MV = 141,500 Mcf

DK allocation = DK prod / Total prod = 86,405 Mcf / 227,905 Mcf = **38%**

MV allocation = MV prod / Total prod = 141,500 Mcf / 227,905 Mcf = **62%**